

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Australia

Post:
Canberra

Ag DownUnder Issue 4 - 2010

Report Categories:

Agriculture in the News

Climate Change

Dairy and Products

Fresh Fruit

Citrus

Fresh Deciduous Fruit

Grain and Feed

Pest/Disease Occurrences

Policy and Program Announcements

Approved By:

Grant Pettrie, Agricultural Counselor

Prepared By:

Joy Dauth, Management Assistant

Report Highlights:

ABARE June quarter crop report; **P**lague locust's potential effect on winter crops; **G**M trial go-ahead; **I**ncreased access for Australian fresh fruit to China and Japan; **B**right future for Australian Dairy exports; **M**anaging environmental water in Australia

ABARE June Quarter Crop numbers

The latest edition of Australian Bureau of Agricultural Research Economics (ABARE) Crop Report indicates that the opening of Australia's winter cropping season in the eastern states is one of the best in several years.

ABARE's numbers have changed a little since their last report and to date are not greatly different from post's forecast.

The table below on area numbers shows Post's estimates remain "ball-park" for wheat and barley which are currently being planted. Rice, cotton and sorghum are not due to be planted until October/November.

	Prev ABARE Area (Outlook)	Current ABARE Area (June 16)	Current Post Area (Annual Report)
Wheat 10/11	13,747	13,507	13,000
Barley 10/11	4412	4,088	4,200
Sorghum 11/12	480	502	600
Rice 11/12	30	30	30
Cotton 11/12	245	328	250

Post's forecast for wheat area remains below ABARE's area number but using different yield forecast post's production number is above ABARE's production number.

Source: [ABARE Crop Report](#)

Plague locust's potential effect on winter crops

The Australian plague locust is a seasonal pest to Australian agriculture and some degree of loss from plague locust attacks is likely in most seasons, mainly in the rangelands of interior Australia. The plague locust is native to these areas and is already a well-established part of the existing ecosystem. However, from time to time, certain seasonal conditions lead to a build-up of locust numbers to plague proportions.

Industry sources report on the distribution of Australian plague locusts in the eastern mainland states of Australia and South Australia as at April 2010. See map 6 in the following link Pages 7-9.

Source: [ABARE Crop Report Pages 7-9](#)

Post advises that the peak of the plague locust event in early 2010 arrived too late to damage summer crops and too early to damage winter crops. However, some damage did occur to some early sown winter crop and experts are concerned that high locust numbers may provide a larger than normal risk for next summer.

GM trial go-ahead

The Gene Technology Regulator, an Australian government body, has given approval to the Commonwealth Scientific Industrial Research Organisation (CSIRO) for the limited and controlled release of up to 11 lines of genetically-modified wheat and 3 lines of GM barley with altered grain composition or nutrient utilisation efficiency.

The CSIRO trials are expected to take place in Narrabri, NSW, and Corrigin, WA, on a maximum area of 2 ha per growing season, between June 2010 and June 2013. None of the GM wheat and barley plants will be permitted to be used as human food or animal feed.

Source: <http://www.oqtr.gov.au>

Increased Access for Australian Fresh Fruit to China and Japan

The Australian Government this week announced improved quarantine conditions that give Australian apples and grapefruit increased access to the Chinese and Japanese markets respectively.

The improved conditions will allow the commencement of apple exports from Tasmania to China following the signing of a new agreement between the two countries on June 22, 2010. The new agreement lifts China's previous requirement to carry out surveys for European canker and fire blight – two diseases of quarantine concern to China, that are not present in Tasmania or the rest of Australia. China has also recognized Tasmania's pest free area status for fruit flies and the network of trapping and surveillance that supports it, along with a workable monitoring and control program for apple codling moth, and orchard management of light brown apple moth, woolly apple aphid and brown rot.

At the same time, Japan has granted complete market access for Australian grapefruit to that market. Until now Australia has only been able to export grapefruit that has been sourced from fruit fly pest free areas to Japan. The new agreement will allow access for producers from all over Australia to export to the Japanese market.

(See attaché Report: [Fresh Fruit to China](#))

Bright Future for Australian Dairy Exports

Australian dairy exports are becoming increasingly sought-after on world markets, but on current trends there is a short supply of milk to fill overseas orders. During the next 10 years Australia, New Zealand and some South American nations are set to be more important to the international dairy trade as traditional suppliers such as the US and Europe are likely to consume everything their farmers can deliver.

Previously big production subsidies in the northern hemisphere which resulted in mounting stockpiles have all but ended with world stocks now slashed to minimal levels.

Industry sources report that Australia and New Zealand already supply half the world's export dairy trade but the next decade could be a bumpy ride.

(Source: [Farm OnLine](#))

Managing environmental water in Australia

After planned water buybacks have been completed, the Australian Government is projected to be the holder of rights to approximately 20 per cent of extracted water in the Murray-Darling Basin.

Post is currently waiting on the release of the Draft Murray Darling Basin Plan which is expected to outline extraction caps which limits how much water farmers can take from the river.

http://www.mdba.gov.au/basin_plan

Exchange Rate: Noon rate June 25, 2010 US Dollar \$1 =AUS \$1.16

Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at: <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>

Title of Report	Date
Increased Access for Australian Fresh Fruit to China and Japan	06/24/10
Ag DownUnder – Issue 3 2010	06/12/10
Canola Production Forecast to Jump in 2010-11	06/03/10
Ag DownUnder – Issue 2	05/28/10
Soybean Meal Imports Down – U.S. Share Up	05/21/10
Australia 2010 Vintage Wine Harvest Update	05/20/10
Australian Pulse Crop to Increase in 2010/11	05/17/10
AgDownUnder – Issue 1	05/14/10
Dairy and Products Semi Annual	05/14/10
Beef Grading Agreement Opens Way for Increased Beef Exports to Chile	05/05/10
Sugar Annual 2010	04/15/10
Cotton and Products Annual	03/29/10
Grain and Feed Annual	03/16/10
Wine Annual 2010	03/01/10
Livestock and Products Semi-annual 2010	03/01/10
Government announces Ag Research Initiative to Increase Productivity & Cut Carbon Emissions by 50 percent	02/18/10
Australian Container exports rise	02/02/10